

STATE OF IDAHO DEPARTMENT OF INSURANCE 206 STATE HOUSE BOISE 83707

BULLETIN # 71 - 2

ALL LIFE INSURANCE COMPANIES

ACCEPTABLE "PRIMA FACIE RATES" ON JOINT CREDIT LIFE INSURANCE

EFFECT OF UCCC ON JOINT CREDIT LIFE INSURANCE.

As you know, the Uniform Commercial Credit Code became effective in Idaho on July 1. This Code repealed Section 26-2040 which prohibited joint credit life and/or credit disability insurance on small loans. Accordingly, joint credit life and disability insurance may now be issued on all loans in Idaho.

ACCEPTABLE JOINT CREDIT LIFE PREMIUM RATE.

The Commissioner has previously established, in Regulation 19, a 50% benchmark for credit life and/or disability insurance written on a single debtor. In that regulation, certain "prima facie" rates were set forth which would be considered as acceptable by the Department.

The purpose of this Bulletin is to establish prima facie acceptable rates for joint credit life insurance. From and after the effective date of this bulletin, a rate not to exceed 150% of the prima facie rates established for a single debtor in Regulation 19 will be considered as an acceptable prima facie rate on joint credit life.

EFFECTIVE DATE.

The acceptable prima facie rate herein established will become effective on and after August 1, 1971, on any new policy issued, and on the first anniversary date thereafter of existing group credit life policies.

Existing group credit life policies that are renewed, reissued or replaced, other than on their normal anniversary date of issue, and all group credit life policies newly issued to replace or supplement a creditor's existing insurance program on or after May 31, 1971, shall conform to this rate on and after August 1, 1971.

FILING OF RATES.

Companies which have previously filed joint credit life rates in excess of 150% of their single credit life rate will be required to refile at the lower rate. Rates filed in excess of the prima facie rate will not be approved unless accompanied by a satisfactory showing to justify the deviation, as provided in Section 8 of Regulation 19.

DEPARTMENT INSURANCE

John R. Blaine Commissioner of Insurance

31, 1971